



**ASOCIACION INTERAMERICANA DE CONTABILIDAD
INTERAMERICAN ACCOUNTING ASSOCIATION
ASSOCIAÇÃO INTERAMERICANA DE CONTABILIDADE**

San Juan, Puerto Rico, July 31st, 2014

Members of the Group

**THE INTERNATIONAL PUBLIC SECTOR ACCOUNTING STANDARDS BOARD
GOVERNANCE REVIEW GROUP**

REF: IPSASB Strategy Consultation 2015-2019

Dear Members of the Group,

The Inter-American Accounting Association (AIC – in Spanish), welcomes the opportunity to comment on the **Consultation Paper “IPSASB Strategy Consultation 2015-2019 (IPSASB)”**

This reply summarizes the views of different member countries of the AIC, according to the following due process:

Due process:

The Draft was submitted to the different AIC member, the Inter-American Technical Commissions (ITC) and the Sponsor Organizations (SO), hence all members had the opportunity to participate in the discussion of the Draft.

All comments received from the ITC and SO, were compared and discussed, before preparing a reply which has been approved upon by all members.

If you have any questions about our comments, please do not hesitate to contact us.

Sincerely,

Gustavo Gil Gil
PRESIDENT



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Comment Letter of the Interamerican Accounting Association- IAA on the document for public discussion referred to ““The Future Governance of the International Public Sector Accounting Standards Board (IPSASB)””

We have answered the five questions of the document in accordance with the provided instructions. Please see our answers and related comments below.

Question 1 Do you agree with the IPSASB’s tentative view on its strategic objective for the period from 2015 forward? If not, how should it be revised?

In general we agree, but it is important to emphasize achievements and intermediate dates with the expected results in each sub-step. We do not agree to work towards a harmonization with IFRS for private companies.

Question 2 Do you think that the two outcomes identified are appropriate for achieving the strategic objective? If not, what outcomes do you think are more appropriate?

We are in complete agreement with the expected results. It is essential to emphasize the basis to achieve the first outcome "Improving the capacity of public sector entities to reflect the full economic reality of their finances, as those of stakeholders in order to understand" but always with a proper direction for public sector entities.



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Question 3 Do you think that the outputs identified will assist in achieving the outcomes? If not, what outputs do you think the IPSASB should focus on?

As in the previous question, we agree with the identified outputs, as this means that the high quality of these standards and that all presentations and speeches to be held indicate a clear position of a proper direction for the standards of the Public Sector.

Question 4: What changes to feedback mechanisms should the IPSASB make to ensure it is fully informed about the views of its stakeholders?

We believe that no changes should be made in the overall process, however, more and better information of the analyzes performed should be delivered so that the different opinions are known by all stakeholders, in which it is clear in which part of the mechanism the decisions are to be found.

Question 5: Do you agree with the five key factors the IPSASB considers in deciding to initiate a project and assessing its priority? Are there other factors you think should be considered?

We strongly agree on the general explanation of the five factors. Also, we strongly agree with the priority identified by the same indicated number where it is necessary to start considering the explanation defined in point 1. We believe that this is the key part of the five factors explained. Also we believe that clarity to address this key factor can lead to the success of the project.

Point number four is also essential. We believe that this harmonization study has to be extensively studied because we promote a separate path of the IFRS.

Question 6: Do you think the Cash Basis IPSAS is a valuable resource in strengthening public finance management and knowledge globally by increasing the adoption of accrual-based IPSASs?

We estimate that on a cash basis IPSAS is a valuable resource in this accounting basis for state enterprises. It is essential, though, to deliver and report on the



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progress of this analysis to all stakeholders

Question 7: Of the three options identified in relation to the Cash Basis IPSAS, which would you recommend the IPSASB select? Please provide the rationale for your recommendation.

We believe that the only viable option at this moment is option A. Our rational and professional analysis is based on the consideration of all the work performed. Obviously we believe that much work remains to be done, however, a lot of work has already been performed and hopefully the analyzes will continue moving forward while taking into account that the characteristics of private companies are different from companies in the public sector.

Question 8: Considering the various factors and constraints, which projects should the IPSASB prioritize and why? Where possible please explain your views on the description and scope of the project.

After much consultation to our professionals we have been unable to agree to a prioritization of individual projects, but we definitely absolutely agree on prioritizing all projects related to the first column "Projects to address specific Issues of the Public Sector".